

# JOINT FINANCE COMMITTEE AND SELECTMEN MEETING

August 24, 2016

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**Meeting Date:** August 24, 2016

**Called to Order:** 6:02 PM

**Location:** 1 Avenue A, Turners Falls MA

**Finance Committee Members Present:** Fred Bowman, Greg Garrison, Patricia Pruitt, and Michael Naughton. John Hanold and Chris Menegoni were absent.

**Selectmen Present:** Chris Boutwell, Michael Nelson and Richard Kuklewicz.

**Others Present:** Town Administrator Frank Abbondanzio and Town Accountant Carolyn Olsen

## Minutes

Finance Committee Moved:

To approve the minutes of July 13, 2016.

Vote: 3 In Favor 0 Opposed 1 Abstained

## Update on Financial Issues:

1. The State has certified the following:
  - Free Cash \$540,285
  - WPCF Retained Earnings \$376,696
  - Airport Retained Earnings \$3,023
2. Additional taxation appropriations and impact on tax rate after final new growth:
  - If no further use of taxation, tax rate would decrease approximately 10 cents
  - If an additional \$65,000 of taxation used, tax rate would remain same
  - If taxation used up to limit, \$123,000 is available
3. Sewer rate issues:
  - Industrial revenue has been steadily decreasing since Fiscal Year 2013.
  - The loss of bio-solids revenue will impact both Fiscal Year 2017 and Fiscal Year 2018. The shutdown of the process could cost as much as 6 months of lost revenue, but the Interim Superintendent is hopeful that the process will start up again in mid-September. The 3 month loss of revenues is estimated at a minimum of \$110,000.
  - For Fiscal Year 2017, the revenue loss will need to be made up from rate increases, use of reserves, and possibly rescission of Article #20 of the 5/7/16 ATM which appropriated \$200,000 from Sewer User Fees to the WPCF Capital Reserve Fund.
  - The loss of Fiscal Year 2017 revenue will reduce Fiscal Year 2018 Retained Earnings, potentially leading to a revenue deficit which would need to be raised in Fiscal Year 2019 through rate increases or a town/taxation subsidy.

**Special Town Meeting** has been set for 6:30 PM on Thursday, September 29<sup>th</sup>.

Potential Special Articles (pending successful union negotiations, among other things):

- Amend Schedule I – Wages for Elected Officials
- Amend Schedule II – Wages for Non-Union Appointed Officials
- Appropriation for IBPO Fiscal Year 2017 contract
- Appropriation for TOMEA Fiscal Year 2017 contract
- Appropriation for UE Fiscal Year 2017 contract

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- Appropriation for Non-Union wage Fiscal Year 2017 increases
- Hillcrest Stage \$70,000 (Gill-Montague is still getting quotes)
- Hillcrest Parking \$50,000 (Gill-Montague is still reviewing)
- Sheffield Pillars \$10,000
- GMRSD Underground Tanks \$600,000
- Sewer Lines \$385,000
- Sludge Storage \$792,000
- Retained Earnings to reduce sewer rates
- Rescind #20 5/7/16?
- Undercover cruiser \$25,000
- K-9 vehicle \$15,000
- DPW Facility \$5.5 Million
- BOH & Building Inspector Software \$28,100
- Town Hall phone system \$25,000
- Increase Town General Stabilization Fund - \$73,346

### **Stabilization Funds**

- The Finance Policies require a transfer of \$73,346 to General Town Stabilization to meet the minimum balance.

### **Finance Committee Moved:**

To recommend an article to put \$73,379 to the Town General Stabilization Fund from Free Cash.

Vote: 4 In Favor 0 Opposed 0 Abstained

It was decided not to transfer any Free Cash to the Town Capital Stabilization Fund at this time.

**Next meeting dates** will be September 14<sup>th</sup> and 21<sup>st</sup> to review special articles.

### **Topics not anticipated within in the 48 hour posting requirements**

Mr. Naughton was concerned about the increase of the \$50,000 for the overlay account.

- Next year's schedule includes finalizing new growth and overlay numbers to be used for the annual budget by mid-March to avoid having changes after voting the annual budget but before the tax rate is set.
- This has been a new issue since accepting legislation that allows the Assessors to assess values as of June 30<sup>th</sup> rather than as of January 1<sup>st</sup>, causing a delay in final numbers.

### **Meeting adjourned at 6:42 PM**

### **List of Documents and Exhibits:**

- Minutes of July 13, 2016
- WPCF Revenue Analysis